

## **Processing of return under sec. 143(1) couldn't be regarded as assessment**

**Summary – The High Court of Punjab & Haryana in a recent case of Ranjeet Singh, (the Assessee) held that Processing of return under section 143(1)(a) in pursuance to notice issued under section 147, does not result into assessment and, thus, provisions of section 151(1) are not attracted in such a case**

### **Facts**

- The assessee was an individual. He did not file his return for relevant year. Notice under section 148 was issued by the Assessing Officer for the purpose of bringing to tax certain interest income.
- In response to said notice, the assessee filed his return. An intimation under section 143(1)(a) was issued.
- The Assessing Officer subsequently issued another notice under section 148 for the purpose of bringing to tax certain amount received as commission.
- In response to said notice, the assessee did not file any return of income. The assessment was therefore completed under section 144 by bringing to tax commission received by the assessee.
- The assessee challenged the validity of the reassessment proceedings. According to the assessee, pursuant to the first notice issued under section 148, intimation was issued by the Assessing Officer which constituted assessment and therefore in the light of specific provisions of section 151(1), no notice could be issued under section 148 unless the Chief Commissioner or Commissioner was satisfied that it was a fit case for issue of such a notice. The assessment was sought to be reopened after four years from the end of the relevant assessment year and thus the assessee pleaded that satisfaction of the Commissioner must be obtained.
- The Commissioner (Appeals) did not agree with the submissions of the assessee and held that processing of return under section 143(1)(a) could not be regarded as assessment.
- The Tribunal also dismissed assessee's appeal.
- On appeal:

### **Held**

- Section 151 deals with sanction for issue of notice of reassessment. According to section 151(2), no notice can be issued under section 148 by an Assessing Officer who is below the rank of Joint Commissioner after the expiry of four years from the end of the relevant assessment year unless the Joint Commissioner is satisfied, on the reasons recorded by such Assessing Officer, that it is a fit case for the issue of such notice.
- The Tribunal concluded that the processing of return under section 143(1)(a) even in pursuance to notice under section 147 did not result into an assessment. Once that was so, sub-section (1) of section 151 was not attracted. It has been categorically recorded by the Tribunal that first notice under section 148 dated 22-2-1994 was served on the assessee on 7-3-1994 in response to which he

filed his return on 19-3-1996. The proceedings for reassessment commenced by the issue of first notice could be completed only upto 31-3-1996 in view of the provisions of section 153(2). As on 31-3-1996, the Assessing Officer did not assess or reassess the assessee's income on the basis of first return filed by him on 19-3-1996 instead issued intimation under section 143(1)(a) on 22-3-1996. Only intimation under section 143(1)(a) was issued which was not an assessment.

- Thus, no proceedings were pending before the Assessing officer when the second notice was issued on 17-3-1997 on the basis of information about commission income received by the assessee from one 'C'. Nothing could be shown that the aforesaid conclusion of the Tribunal was erroneous.
- In the result, assessee's appeal is dismissed.